

Honorable James J. Peck
One Bowling Green
New York, NY 10004-1408

Courtroom 610

Re: Phyllis M. Murphy \$20,000 Lehman Brothers Bankruptcy Senior Debt
7.2% 8/15/2009 cusip # 524908BQ2

Dear Judge Peck:

I am writing to you on behalf of my elderly mother Phyllis Murphy. Like many retail investors we lack the financial resources to have our own representative voice in court. We appeal to your sense of fairness and ask that you do all you can for the senior debt holders, particularly the small investor who is feeling a disproportionate amount of pain in this situation.

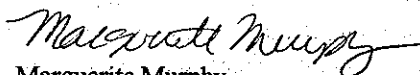
My mother is a holder of the above-mentioned Lehman bond, which she purchased many years ago through Fidelity Investments when Lehman Brothers was an ongoing concern.

Based on things we read in the press there are several aspects of the bankruptcy proceedings which concern us and are unfair to individuals who are holders of Lehman Brothers Senior Debt.

- It is particularly troubling to us that derivative transactions are being settled prior to any distributions to senior debt holders. Senior Debt should be senior to the holdings of investors who made speculative arrangements with derivatives.
- Further, those speculative investors having entered into risky arrangements such as derivatives ought to be able to absorb the loss of their actions given that the minimum transactions in these trades is by definition in the millions of dollars and out of the scope of the individual investor. Small retail investors are by definition less capable of absorbing losses.
- It is especially troubling in the case of an elderly person on a fixed income who may not live to see any resolution and may have their quality of life ruined and possibly shortened by the long delay. This delay has arisen by the preferred treatment your court is apparently granting to deep pocketed derivative contract holders. Such swaps ought to be settled expeditiously so that the bankruptcy process can move forward and Senior debt holders can get paid. Additionally, the court should force these derivative owners to take losses if necessary so that the process can move forward.
- It is unfair that Senior Debt holders, long a traditional "first in line" may have to settle for pennies on the dollar while according to a recent Economist article hundreds of traders assist in the settlement of derivative contracts. To paraphrase a recent on line column, when did senior debt become junior? Where will the talented traders be when it is time for my elderly mother to settle up? Who will be able to advocate for her needs? And most troubling will there be anything left after the swaps are settled?

Thank you in advance for your attention to this matter.

Sincerely,



Marguerite Murphy
(Daughter of Phyllis Murphy, Lehman Senior Debt Holder)
27 Fairmont Street
Wethersfield CT 06109

